

**ARKANSAS PROFESSIONAL BAIL BOND COMPANY AND PROFESSIONAL
BAIL BONDSMAN LICENSING BOARD**

September 10, 2004

Chairman Don Smith called the meeting to order at 9:00 a.m.

Roll call was taken and the following members were present: Don Smith, Frank Sturgeon, Eugene Reynolds, Phyllis Carruth, Rex Morris, and Marc Oudin,. Also present were Assistant Attorney General, Kevin Coker, Executive Director, Tommy Reed, Board staff and members of the audience.

Following a review of the Board Minutes for August 13, Oudin moved to approve. Reynolds seconded. The motion carried.

OLD BUSINESS

License Approvals:

Seven (7) non-controversial license applications and one (1) non-controversial tentative license applications were submitted for Board approval. Sturgeon moved to approve the license applications as presented pending receipt of necessary documentation. Oudin seconded. Chairman Smith asked for comments or discussion. There being none, the motion was put to a vote. The motion carried.

Transfers:

Reed advised the Board the list of transferring agents had been provided for informational purposes. Chairman Smith invited comments or discussion regarding transfers. There being none, the Board proceeded.

Forfeitures:

Reed presented the Forfeiture Report for the Board's information and requested the Board's approval to suspend those licensees who failed to pay their forfeitures timely. Carruth moved to suspend any licensee whose forfeitures were not timely paid. Sturgeon seconded. Chairman Smith invited comments or discussion regarding the Forfeiture Report; there were none and the motion was put to a vote. The motion carried.

Past Due Forfeitures:

Reed presented the Past Due Forfeiture Report and advised the Board that it had come to his attention that Jack's Bail Bond had ceased to do business. He reported that the company had been requested to notify the Board in writing but that such notice had not yet been received.

Reed requested the Board authorize a claim against the security deposit of Jack's Bail Bond to satisfy those forfeiture judgments which are past due based on the fact that the company is no longer operating and the license has been suspended. Morris moved to authorize a claim against the security deposit of Jack's Bail Bond to satisfy those judgments presented to the Board which are past due and unpaid. Reynolds seconded. Chairman Smith invited comments or discussion regarding the motion; there were none and the motion was put to a vote. The motion carried.

Bud Dennis Bonding Co., Inc.:

Reed presented an accounting of forfeiture judgments paid by the Board from the security deposit as of August 31, 2004. Reed advised there was currently a judgment in the amount of \$1,125 that will be paid soon.

Transfer Procedure & Policy:

In response to the Board's directive at the August meeting, Reed provided the Board a memo setting forth the policy and procedure he recommended the Board adopt relative to agent transfers. Morris asked if the policy Reed was proposing would prevent an agent from being in limbo during the transfer process. Reed replied that was the case and the policy was designed for that purpose. Reed then recapped the research presented to the Board at the August meeting which formed the basis of the policy proposed. Reynolds expressed his concerns regarding the exposure a company incurs from an agent who desires a transfer and stated he thought it was reasonable that the company and agent be given a period of time to see if everything was in order before the transfer was effected.

Reed stated he was aware of the vulnerability of the company but that the exposure of the company was inherent in empowering an agent. He further stated he did not understand the objection of the company to a procedure requiring a written complaint be made if there was a violation of the statutes, rules and regulations. He advised the Board that it was his opinion that a policy which presumes a violation or wrong doing by the agent upon the occasion of a transfer request would be ill advised and possibly subject the Board to liability. He stated he would reluctantly, and under duress, implement and enforce such a policy if that was the Board's desire.

Reed suggested perhaps an opinion regarding the issue should be requested from the Attorney General's office. Carruth suggested that, for the benefit of the audience, the policy should be read into the record. Reed then read the memo submitted to the Board regarding the policy and procedures of transfer requests.

Company owner and past Board Chairman, Tom Nickolich was present and commented regarding the two-week waiting period implemented by the Board during his tenure. He stated it was not meant to be punitive but, rather, was a procedure giving the company notice the agent was leaving and providing time within which to determine if everything was in order. He requested the Board send the proposed policy to the companies for submission of written comments defending the two week waiting period. Discussion ensued.

Sturgeon stated it was apparent there were differences of opinion and that the matter could not be resolved in this setting. He suggested an opinion concerning the matter should be requested of the Attorney General and that the Board would comply with the conclusions of the Attorney General. He then moved to request an Attorney General's opinion. Reynolds seconded. Chairman Smith asked if there was additional discussion or comments. Hearing none, the matter was put to a vote. The motion carried.

Oudin asked if the Board would follow current procedure until the opinion is received. The Chairman replied affirmatively. Reed asked for clarification regarding which policy he should enforce. The Chairman explained he should follow the statutes, rules and regulations as currently written, which do not provide for any waiting period.

There was continued discussion regarding the issue. Wanda Cox inquired as to what was wrong with a policy where the agent and company came to the Board and each "signed off" that all paperwork had been turned over and all fees had been paid to the company prior to the issuance of the transfer license. Sturgeon remarked that upon receipt of the Attorney General's opinion the Board could accommodate legitimate concerns.

Kevin Coker, Assistant Attorney General, advised that if the Board wanted an opinion by the October meeting he would be pleased to research the issue and report his findings, but a formal opinion request would have to work its way through the process and be accepted or rejected according to established criteria, then assigned to an attorney in the Opinions Division and would not be available by October. Morris stated his opinion the Board should request a formal opinion.

After further discussion, Chairman Smith, after reiterating the Board's decision to seek a formal opinion from the Attorney General, directed the Board's attention to the next agenda item

Will Oliver/Liz Frawley Bail Bonds, Inc.

Reed provided an accounting of security deposit funds disbursed to date in satisfaction of forfeiture judgments presented.

Pending Hearings

Reed provided an update on matters currently docketed but which have been continued to a later date. Chairman Smith expressed his understanding and approval that the Executive Director was going to attempt to settle some matters through an informal hearing process and encouraged him to do so.

Among the items presented was a proposed Joint Motion To Dismiss and Consent Order in the Matter of James Houston. Reed advised he thought the proposed settlement was in the Board's interest and asked for Board approval. Oudin moved to accept the proposed motion and order. Reynolds seconded. The Chairman invited comments or discussion. There was discussion regarding the time frame for the appeal process and the uncertainty of a favorable outcome versus the certainty of disposition utilizing the Joint Motion which will achieve the Board's objective of Mr. Houston not being a licensed bond agent. The motion was put to a vote. The motion carried.

NEW BUSINESS

August Vouchers Paid:

Chairman Smith invited questions and/or discussion regarding the vouchers paid in August. There being none, the Board proceeded.

Milton Ford Bail Bonds

A company application for Milton Ford Bail Bonds was presented for Board approval. There was discussion regarding the fact that Mr. Ford had formed the business as a sole proprietorship and that the license granted expired upon the death of the sole proprietor. Mr. Ford advised he understood the issues related to succession of a sole proprietorship. Oudin moved to approve the application and issue a company license to Milton Ford Bail Bonds.

Public Comments:

Chairman Smith asked for Public Comments. There being none, the Board recessed.

Submitted for approval:

This 8th day of October, 2004 _____

Don Smith, Chairman